

EXHIBIT K

REQUIREMENTS FOR CONTRACTING WITH EDUCATIONAL MANAGEMENT ORGANIZATIONS

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If, at any time, the Organizer intends to enter into a contract or make any modifications or amendments to an existing contract (together, the "**Service Contract**") with an educational management organization (the "**EMO**"), defined as any third party organization that will manage or operate the Charter School or provide any substantial portion of the staff, which is defined as at least 20% of the managerial staff or at least 50% of the instructional staff, to the Charter School, all of the following requirements must first be met by the Organizer:

1. Submission of Service Contract. The Service Contract shall be submitted to the Executive Director prior to its execution by the parties. If the Executive Director determines that the Service Contract does not comply with (a) the provisions set forth in this Attachment, (b) applicable law, (c) the Charter generally, or (d) otherwise is against public policy, then the Executive Director shall notify the Organizer within twenty (20) business days of receipt, stating the bases for objecting to the Service Contract. In such event, the Organizer shall not enter into the Service Contract unless and until the deficiencies noted by the Executive Director have been addressed to the Executive Director's satisfaction.

2. Required Terms of Service Contract. The Service Contract shall include, in substance, the following terms:

a. The Service Contract shall be subject to, and shall incorporate by reference, the terms and conditions of the Charter. No provision of the Service Contract shall interfere with the Organizer's ability to perform its obligations under the Charter. The Organizer shall at all times remain legally responsible to the Indiana Charter Board for the operations and management of the Charter School and for ensuring that the terms and conditions of the Charter are satisfied.

b. The Service Contract shall specify a reasonable fixed term, not to exceed the term of the Charter, inclusive of renewals.

c. The Service Contract shall require the EMO to be held accountable for the performance criteria outlined in the Accountability Plan.

d. The Service Contract shall be terminable (i) at any time by the mutual written agreement of the Organizer and the EMO; (ii) by the Organizer upon any material breach of the Service Contract by the EMO; (iii) by the Organizer if the Service Contract or its implementation would serve as grounds for revocation under the Charter, would jeopardize the tax exempt or not-for-profit status of the Organizer, would create adverse tax consequences for the Organizer, or would cause the Organizer to be in violation of applicable law; (iv) by failure of the EMO to meet the performance criteria outlined in the Accountability Plan; or (v) by the Organizer or EMO upon such other grounds as are specified by the Service Contract.

e. The EMO shall furnish all information relating to its contract with the Organizer that is deemed necessary by the Organizer or the Executive Director (i) to fulfill

the Organizer's reporting requirements under the Charter, (ii) for the Indiana Charter Board's proper oversight of the Charter School operations, and (iii) as otherwise required under applicable law or the Charter. This information shall be prepared by the EMO in accordance with the uniform accounting principles prescribed by the State Board of Education and State Board of Accounts, or in such other form as may be required under applicable law or the Charter.

f. All EMO employees, contractors of the EMO, or employees of contractors of the EMO who have direct, ongoing contact with children at the Charter School within the scope of their employment, shall be subject to criminal background check requirements to the same extent as employees of the Organizer who have direct, ongoing contact with children at the Charter School within the scope of their employment.

g. The EMO shall comply with all applicable law and the terms and conditions of the Charter.

h. The Organizer shall be the recipient of all public funds that are disbursed to fund the operations of the Charter School and all other funds to which the Charter School or the Organizer is entitled.

i. The EMO shall comply with all terms and conditions established by any funding source.

j. The Service Contract shall, in its entirety, be consistent with the Organizer's status as a nonprofit entity under the Internal Revenue Code or applicable state law, including but not limited to any applicable provisions prohibiting or restricting private benefit or private inurement.

k. The Organizer's board of directors (the "Board") shall be structurally independent of the EMO and shall set and approve broad school policies, such as the budget, curriculum, student conduct, school calendars, and dispute resolution procedures.

l. The Service Contract shall not require the EMO's name to be included in or attached to the name of the Charter School.

3. Areas to be Addressed in Service Contract. The Service Contract shall address the following issues:

a. The Service Contract shall clearly delineate the respective roles and responsibilities of the EMO and the Organizer in the management and operation of the Charter School.

b. The Service Contract shall identify whether individuals who work at the Charter School are employees of the Organizer or of the EMO; or, if employment status will vary from employee to employee, shall set forth a process for determining whether the individual is an employee of the Organizer or of the EMO.

c. The Service Contract shall set forth procedures that are consistent with applicable law for determining whether assets purchased for use at the Charter School are owned by the Organizer or the EMO.

d. The Service Contract shall identify the procedures that the Organizer shall use to monitor and oversee the EMO.

e. The Service Contract shall specify the methodology for calculating the EMO's compensation, including all amounts to be paid to the EMO by the Organizer, whether as contract payments, lease payments, management fees, administrative fees, licensing fees, expenses, claims on residual revenues, or any other amounts payable to the EMO. The total amount to be paid to the EMO by the Organizer and/or any third party, including students, parents, or other organizations, under the Service Contract shall be reasonable, market rate, and commensurate with the services provided by the EMO. Compensation arrangements that grant the EMO the Organizer's or Charter School's annual operating surplus, give the EMO a percentage of all the Organizer's or Charter School's revenues, or include bonuses or incentives, must be designed in accordance with any applicable law and Internal Revenue Service guidance.

f. The Service Contract shall define the services that the EMO will provide to the Organizer.

4. Contact Information. The Organizer shall provide the Executive Director with contact information for the EMO employee or employees who will be primarily responsible for providing services under the Service Contract.

5. Conflict of Interest. Any Board member, officer of the Organizer, or individual who is to hold a leadership position in the operation of the Charter School, including any administrative position (together, "**Interested Persons**"), any family member of any Interested Person, or any organization in which the Interested Person has a more than a 2% ownership position, which has any direct or indirect financial interest in the EMO, must disclose to the Board, or to a committee designated by the Board as having the authority to review potential conflicts of interest, the existence of his or her financial interest and may be given the opportunity to disclose facts material to that interest to the Board or committee. A "financial interest" includes any current or potential ownership interest in, investment interest in, or compensation arrangement with the EMO. The term "family member" includes any spouse, parent, child, or sibling of the Interested Person. The disinterested members of the Board or committee, (that is, all members except for any Interested Person) will evaluate the impact of the Interested Person's financial interest, assess whether a conflict of interest arises from the financial interest, and determine what action, if any, is appropriate with regard to the financial interest and any conflict of interest. The Board or committee shall conduct whatever additional investigation is considered appropriate under the circumstances.

6. Negotiation of Service Contract and Legal Counsel. The Service Contract shall be reached by the Organizer and the EMO through arm's length negotiations in which the Organizer shall be represented by legal counsel. Such legal counsel shall not also represent the EMO.

7. Board Approval. The Board shall formally approve the Service Contract.